

**TABLE - 1**  
**ALLOT COMMUNICATIONS LTD.**  
**AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(U.S. dollars in thousands, except share and per share data)**

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2009	2008	2009	2008
	(Unaudited)		(Unaudited)	
Revenues	\$ 10,009	\$ 9,461	\$ 19,378	\$ 17,720
Cost of revenues	<u>2,784</u>	<u>2,488</u>	<u>5,310</u>	<u>4,630</u>
Gross profit	<u>7,225</u>	<u>6,973</u>	<u>14,068</u>	<u>13,090</u>
Operating expenses:				
Research and development costs, net	2,100	3,123	4,507	6,220
Sales and marketing	4,853	5,476	9,257	10,520
General and administrative	1,466	1,610	2,859	3,109
In - process research and development	-	-	-	244
Total Operating expenses	<u>8,419</u>	<u>10,209</u>	<u>16,623</u>	<u>20,093</u>
Operating Loss	<u>(1,194)</u>	<u>(3,236)</u>	<u>(2,555)</u>	<u>(7,003)</u>
Financial and other income (expenses), net	<u>312</u>	<u>(444)</u>	<u>(1,212)</u>	<u>(1,459)</u>
Loss before income tax expenses	<u>(882)</u>	<u>(3,680)</u>	<u>(3,767)</u>	<u>(8,462)</u>
Income tax expenses	<u>112</u>	<u>70</u>	<u>116</u>	<u>101</u>
Net Loss	<u>\$ (994)</u>	<u>\$ (3,750)</u>	<u>\$ (3,883)</u>	<u>\$ (8,563)</u>
<b>Basic and diluted net loss per share</b>	<u>\$ (0.05)</u>	<u>\$ (0.17)</u>	<u>\$ (0.18)</u>	<u>\$ (0.39)</u>
Weighted average number of shares used in computing basic and diluted net Loss per share	<u>22,070,416</u>	<u>22,058,963</u>	<u>22,069,909</u>	<u>22,042,867</u>

**TABLE - 3**  
**ALLOT COMMUNICATIONS LTD.**  
**AND ITS SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(U.S. dollars in thousands)**

	<b>June 30,</b>	<b>December 31,</b>
	<b>2009</b>	<b>2008</b>
	<u><b>(Unaudited)</b></u>	<u><b>(Audited)</b></u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 35,323	\$ 40,029
Short term deposits and restricted deposits	4,120	2,121
Trade receivables	8,122	6,163
Other receivables and prepaid expenses	1,356	1,959
Inventories	4,737	4,259
Total current assets	<u>53,658</u>	<u>54,531</u>
 <b>LONG-TERM ASSETS:</b>		
Marketable securities	15,364	15,319
Severance pay fund	3,295	3,402
Other assets	887	874
Total long-term assets	<u>19,546</u>	<u>19,595</u>
 <b>PROPERTY AND EQUIPMENT, NET</b>	 <u>4,733</u>	 <u>4,970</u>
<b>GOODWILL AND INTANGIBLE ASSETS, NET</b>	<u>3,698</u>	<u>3,755</u>
 Total assets	 <u>\$ 81,635</u>	 <u>\$ 82,851</u>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Trade payables	\$ 3,041	\$ 2,902
Deferred revenues	4,971	4,475
Other payables and accrued expenses	7,355	6,466
Total current liabilities	<u>15,367</u>	<u>13,843</u>
 <b>LONG-TERM LIABILITIES:</b>		
Deferred revenues	2,209	2,293
Accrued severance pay	3,264	3,536
Total long-term liabilities	<u>5,473</u>	<u>5,829</u>
 <b>SHAREHOLDERS' EQUITY</b>	 <u>60,795</u>	 <u>63,179</u>
 Total liabilities and shareholders' equity	 <u>\$ 81,635</u>	 <u>\$ 82,851</u>

**TABLE - 2**  
**ALLOT COMMUNICATIONS LTD.**  
**AND ITS SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS**  
(U.S. dollars in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2009	2008	2009	2008
	(Unaudited)		(Unaudited)	
GAAP net loss as reported	\$ (994)	\$ (3,750)	\$ (3,883)	\$ (8,563)
Non-GAAP adjustments				
Expenses recorded for stock-based compensation				
Cost of revenues	28	16	53	30
Research and development costs, net	89	81	178	156
Sales and marketing	197	162	306	290
General and administrative	292	213	579	421
In-process research and development	-	-	-	244
Expenses related to a law suit	-	25	-	46
Core technology amortization- cost of revenues	30	30	58	58
Total adjustments to operating loss	635	527	1,174	1,245
Impairment of auction rate securities				
Financial and other income (expenses), net	-	1,285	1,575	3,435
Total adjustments	635	1,812	2,749	4,680
Non-GAAP net Loss	\$ (359)	\$ (1,938)	\$ (1,134)	\$ (3,883)
<b>Non- GAAP basic and diluted net Loss per share</b>	<b>\$ (0.02)</b>	<b>\$ (0.09)</b>	<b>\$ (0.05)</b>	<b>\$ (0.18)</b>